

BUDGET, STAFFING HIGHLIGHT MAYOR AND CITY COUNCIL MID-YEAR PLANNING RETREAT

Gaithersburg weathering economic storm well, but is facing "vulnerable" staffing situation.

By [David Sabia](#) | [Email the author](#) | October 26, 2010

The remarkable stability seen in Gaithersburg's preliminary budget results and the city's "vulnerable" staffing situation highlighted discussions during the Mayor and City Council's mid-year planning retreat at the Upcounty Senior Center on Monday night.

Finance Director Harold Belton announced that, despite the tough national economic climate, Gaithersburg is projecting \$1.8 million in cost-savings by the end of the fiscal year. Citing real property tax, the movements of two speed cameras to route 355, and an increase in commercial fit ups, the city has already collected 44% of it's annual revenue only a quarter of the way through the term.

"Our revenue is coming in faster than it usually does," said Belton, adding that many real and personal property tax payments came in earlier than expected. "As we near the end of 2010, the city has weathered the economic storm better than anticipated."

Councilman Jud Ashman expressed his gratitude for the department's hard work despite the tightened cash flow.

"Coming in 25% under our project spending deserves kudos," Ashman said. "You've all done well. It's tough times, but you guys have done great."

Ashman also pointed out that in the six areas marked for city expenditures, everything is either in line or under the projected budget. The only areas in which spending greatly surpassed the forecast was in the Public Works department. The city funneled just under \$9.3 million the department's way this year, close to \$1.3 million more than their projected needs.

Belton easily explained Public Works' need for extra funding: "One word," he said, "Snow, and lots of it."

Belton did receive notification early on Monday that FEMA has granted Gaithersburg an additional \$209,605 for their February storm fund.

"It's a pleasant surprise," he said of the grant that will come due to the city within the next three to four weeks. "It should help offset much of the over-budgeting on Public Works from last Winter."

Belton concluded his presentation by encouraging the council to maintain tactics that will allow the city to "hold the line" with their lowered budget.

"We have to stay focused that the things we did for fiscal year 2010 and proposals we passed for fiscal year 2011 are all set towards a marked improvement by fiscal year 2015. Any major budget changes moving forward should be limited to changes we *have* to make."

Meanwhile, city manager Angel Jones outlined possible measures to resolve the city's "vulnerable" staffing situation. Out of all the full time positions within the Gaithersburg government, Jones said, 38 could retire immediately if they chose too.

"That puts us in a vulnerable position," she said. "Every department in the city would be impacted by that."

Jones singled-out Stormwater Management and the Internet and Technology departments as the one in the most dire need of new hirings. While Stormwater has great response figures, it will need extra staff to evaluate permits and sign off on documents.

The city's intricate IT system, according to Jones, is "almost at a breaking point." While extremely effective, the system is so handmade that positions within the department require a "high level of understanding to even get started". The only seen remedy for that is to create an in-depth training program, but that requires taking a person within IT away from where they need to be.

"I know we are trying to reach another level of professionalism and staffing so we need to look at things differently," Jones said. "We need to make programs more cost-neutral and manage change through transitions more."

A serious limitation on Gaithersburg's staffing is its single-fund standing. Without an enterprise fund aside from the general fund, the city cannot build staff up and down as the economy fluctuates like other areas can.

"That part of our structure makes us inflexible," Jones said. "It doesn't allow us to be as flexible or responsive as we need to be."

Still, Jones added that the city plans to aggressively approach the problem with their greatest weapon: efficiency.

"[Efficiency] is one of the things we take great pride in. We recognize time is money," she said. "Going forward, we anticipate that we'll need additional resources or lower expectations, and there is no indication we will lower expectations."

Gaithersburg's reluctance to shy away from the complex staffing issue and meet it head on is something councilman Michael Sesma praised.

"When we first discussed our vision for Gaithersburg, it wasn't about the city treading water, but moving forward," Sema said. "So I think that's the appropriate philosophy to use when looking at staffing."